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Poland

Product Brief

Grapefruit

2006

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Report Highlights:

Grapefruit sales in Poland decreased dramatically in 2005. In 2005, grapefruit imports decreased as a result of high prices. The price increases were driven by low supply as a result of a very active hurricane season in growing areas. Tariff rates dropped from 5 percent to 1.5 percent November through April, and 2.4 percent May through October as a result of Poland's EU accession in May of 2004.

Includes PSD Changes: No
Includes Trade Matrix: No
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Section I. Market Overview

Poland, with a population of roughly 38.5 million people, is the largest market in Central Europe. The country has been successful at attracting foreign investors in the food processing industry as the wholesale and retail sectors continue to grow. The hypermarkets and supermarkets are prime examples of this rapidly changing industry. The number of hypermarkets is expected to double or even triple over the next several years. With this growth, strong markets for fruits, such as grapefruit, that were not always accessible before the transformation period (1990's), have now emerged.

Advantages	Disadvantages
Polish consumers are becoming more health conscious hence all fruits, including grapefruit, are gaining popularity.	Polish consumers misjudge Turkish grapefruits as higher quality due to outward appearance when compared to U.S. products.
As a result of EU accession in May of 2004, tariffs were reduced on U.S. grapefruits from 5 percent to 1.5 percent in the months of November through April, and 2.4 percent May through October.	European Union members have the advantage of the duty free open market.
Retail space for grapefruit is growing with supermarket and hypermarket expansion.	Polish consumers prefer the least expensive grapefruit available, which often favors Turkish products and hinders U.S. exports

Section II. Market Sector Opportunities and Threats

1) Entry Strategy

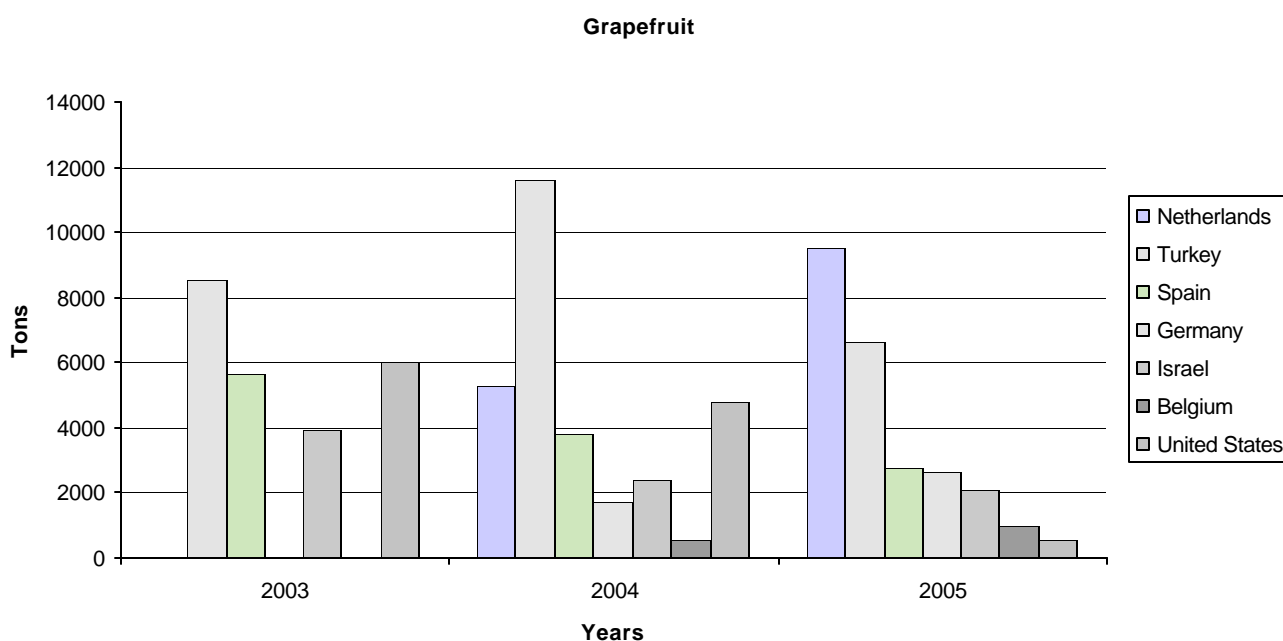
Contacting the right importer will help a business enter the Polish grapefruit market. Most supermarkets, hypermarkets and specialty shops buy a majority of their fresh produce through wholesalers. These wholesalers have contacts with large importers and maintain their own distribution channels and marketing contacts. Exporters of U.S. grapefruits may obtain a list of current importers by contacting the Office of Agricultural Affairs of the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

The primary consumers of grapefruit are married women 30-50 years old. It has been noted that older consumers (55-65 years old), buy smaller amounts of fruit, but on a more regular basis. Polish consumers have a strong preference for pink (ruby red, flame) and red (star ruby) varieties.

With the average Pole consuming 15 kg of apples versus approximately 7 kg of citrus fruits, an increase in consumption, especially that of grapefruit and oranges, is expected in the near future, according to trade sources.

Grapefruit sales in Poland increased in 2004, but dramatically decreased in 2005. The decrease can be attributed to low supply from the U.S. as a result of a very active hurricane season, and high prices compared to Turkish and Israeli grapefruit. This dramatic decrease in imports is temporary, and imports are expected to increase in 2006.



Poland Import Statistics
Grapefruit, Fresh Or Dried, 080540

		Year Ending: December 2005					
Partner Country	Unit	2003		2004		2005	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	19964305	30361	23279286	31687	22873031	27234
Netherlands	T	12624	16	4945466	5262	8602948	9514
Turkey	T	4621258	8538	6720657	11615	5062380	6612
Spain	T	3963915	5642	3189125	3827	2452095	2735
Germany	T	3772	5	1527006	1714	2109468	2654
Israel	T	2671498	3930	1641767	2376	1675010	2059
Belgium	T	0	0	495811	571	785143	956
United States	T	4232335	6048	3599999	4778	744228	568

France	T	664	0	247913	197	477111	566
Cyprus	T	251818	430	287206	473	402762	638
Czech Republic	T	4424	3	9252	21	114535	276
Argentina	T	759846	1073	86003	167	109907	187
Austria	T	0	0	138012	138	94844	147
Italy	T	91450	144	101604	145	66404	97
Uruguay	T	14903	24	27912	49	37594	63
Slovenia	T	0	0	51194	66	32429	48
Greece	T	129801	233	111947	145	24541	26
Ukraine	T	16165	19	0	0	20629	20
Lithuania	T	0	0	10409	12	19293	18
Syria	T	0	0	14743	30	17628	19
Hungary	T	304	1	17575	18	15787	19
United Kingdom	T	0	0	0	0	8294	13

Source: Global Trade Atlas

It is important to note that Poland is an important transshipment point for grapefruit. According to some Polish importers, large shipments, constituting as much as 10 percent of the volume of imports of U.S. grapefruits, are purchased from intermediaries in Europe (mostly through the Netherlands) and may not be listed as a final destination point on U.S. export documentation, thus not appearing on U.S. statistics.

From 1996-2000, the Florida Department of Citrus (FDOC) was very active in the Polish market and marketed its product during the winter months to take advantage of the seasonal market. Using a variety of promotional techniques (in-store promotions, production of Polish language leaflets, etc.), the FDOC helped stimulate an increase of grapefruit exports to Poland over the past few years.

3) Company Profiles

In the early 90's several large importers existed on the Polish market. In addition to these market leaders, there were 20-30 smaller, local importers/distributors of grapefruit. This market organization was maintained until the year 2000. During 2000, huge market changes occurred in the area of fresh fruit and vegetable distribution. This change occurred due to the worsening economic situation in Poland at that time. In addition, some of the larger super and hypermarket chains operating in Poland organized their own import/distribution departments. Currently, there are 5-6 large importers of fruits and vegetables on the Polish market.

Section III. Costs & Prices

Currently, the Polish grapefruit market is price driven. Super and hypermarkets dominating the fruit trade are forcing Polish importers to concentrate only on the cheapest products, while at the same time requiring high quality. With high prices for Florida grapefruit in 2005, the demand sank, resulting in very low imports.

This trend is also evident in the retail sector where Turkish grapefruit dominates because of price, followed by the United States, Spain, and South Africa in typical years. Once popular Israeli grapefruit is now only available occasionally on the Polish market due to customers' taste preference for Turkish and Florida grapefruit.

In July 2006, Florida grapefruits cost about \$2.86/kg on the market. This was about \$0.60 to \$1.00 more expensive than Turkish and other grapefruits.

As a result of Poland's accession to the European Union in May 2004, the import duty for U.S. grapefruits dropped from 5 percent to 1.5 percent from November to April, and 2.4 percent from May to October. This duty reduction is expected to encourage higher exports of grapefruit from the U.S. to Poland.

Section IV. Market Access

Shipments of fresh fruits require a phytosanitary certificate. Any shipment containing prohibited organisms (fungi, viruses, bacteria, insects, mites, weeds) will be prohibited from entering Poland.

Detailed information on EU standards concerning citrus fruits can be obtained from the following Internet address (as prepared by the USDA Foreign Agricultural Service, U.S. Mission to the European Union):

<http://www.useu.be/agri/Fruit-Veg.html>

32001R1799

Commission Regulation (EC) No 1799/2001 of 12 September 2001 lays down the marketing standard for citrus fruit.

Section V. Key Contacts and Further Information

For more information concerning market entry and a current importer list contact:

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
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